

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:24

ANSWERED ON:30.11.2015

Tax Exemption on Export

Patil Shri A.T. (Nana)

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- a) whether the export products originating from various States are subjected to a number of State indirect taxes/levies and add to the cost of export products thereby making them uncompetitive in the international market;
- b) if so, whether the Government has any mechanism to get the State levies exempted on exports;
- c) if so, the details thereof; and
- d) if not, the corrective steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)

(SMT. NIRMALA SITHARAMAN)

(a) Yes, Madam.

(b) to (d) Under Foreign Trade Policy 2015-20, there is no mechanism to get state levies exempted on exports. Indirect Taxes like Sales Tax/VAT are purely State matter as per Entry 54, List II (State List), Seventh Schedule of the Constitution. Under Section 6(1) of the CST Act, 1956, exemption from payment of Central Sales Tax on sale of goods is provided for, which in accordance with the provision of section 5(3) of CST Act, 1956, is a sale in the course of export of goods out of the territory of India.
